



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2012

Dear Interested Parties,

Notice to Prospective Proposers

Prospective Proposers are invited to review and respond to this Request for Proposal (RFP) Number 11-88326 entitled, "Survey of Actual Acquisition and Dispensing Costs of Pharmacy Products in the California Medicaid Program" or "Pharmacy Survey". In submitting a proposal, compliance with the instructions found herein is imperative.

Prospective Proposers can view and download the Pharmacy Study RFP from the following Internet site: http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx. If any prospective Proposer is unable to obtain the RFP via the Internet, please contact the Office of Medi-Cal Procurement (OMCP) at (916) 552-8006 or e-mail OMCP at omcprfp5@dhcs.ca.gov to request a CD-R version.

All agreements entered into with the State of California will include, by reference, General Terms and Conditions (GTC) and Contractor Certification Clauses (CCC) that may be viewed and downloaded at this Internet site: <http://www.ols.dgs.ca.gov/Standard+Language/default.htm>. If any prospective Proposer lacks Internet access, a CD-R copy can be obtained by contacting OMCP at the phone number and e-mail address cited above.

If a discrepancy occurs between the information in the advertisement appearing in the California State Contracts Register and the information herein, the information in this notice and in the attached RFP shall take precedence.

I. Proposal Submission Deadline

Regardless of postmark or method of delivery, the Department of Health Care Services' Office of Medi-Cal Procurement must receive proposal packages (including the Narrative and Cost Proposals) no later than **4:00 p.m. on August 24, 2012**. Refer to the attached RFP for detailed submission requirements.

II. Voluntary Non-Binding Letter of Intent & Voluntary Request for Inclusion on Mailing List

In this procurement, prospective proposers are asked to voluntarily submit a Request for Inclusion on Mailing List. See the RFP for detailed Voluntary Request for Inclusion on Mailing List submission instructions.

III. Disabled Veteran Business Enterprise (DVBE) Participation Requirements

California Law requires Disabled Veteran Business Enterprise (DVBE) participation to meet these requirements. DHCS policies require DVBE participation on all contracts exceeding \$10,000. Prospective Proposers may need four weeks or more to complete this process; therefore it is advisable to begin this process promptly. Out-of-state firms must comply with California's DVBE participation requirements.

IV. Proposer Questions

In the opinion of the DHCS, this RFP is complete and without need of explanation. However, if questions arise or there is a need to obtain clarifying information, put all inquiries in writing and mail, email or fax them to DHCS according to the instructions in the RFP section entitled, "Proposer Questions".

Thank you for your interest in DHCS' service needs.

Sincerely,

Original Signed by *Kevin Morrill*

Kevin Morrill, Chief
Office of Medi-Cal Procurement



**Survey of Actual Acquisition and Dispensing Costs of Pharmacy Products
in the California Medicaid Program**

Request for Proposal 11-88326

California Department of Health Care Services
Office of Medi-Cal Procurement
MS Code 4200
1501 Capitol Avenue, Suite 71.3041
P. O. Box 997413
Sacramento, CA 95899-7413

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Attachment #	Attachment Name
Attachment 1	Proposal Cover Page
Attachment 2	Required Attachment / Certification Checklist

Attachment #	Attachment Name
Attachment 3	Business Information Sheet
Attachment 4	Client References
Attachment 5	RFP Clause Certification
Attachment 6	CCC 307 - Certification
Attachment 7	Payee Data Record
Attachment 8	Follow-on Consultant Contract Disclosure
Attachment 9	Voluntary Letter of Intent
Attachment 10	Darfur Contracting Act Certification
Attachment 11	Non-Small Business Subcontractor Preference Instructions with Non-Small Business Subcontractor Preference Request (Attachment 11a) and Small Business Subcontractor/Supplier Acknowledgment (Attachment 11b). Use the forms included with the RFP forms.
Attachment 12	Cost Proposal Form
Attachment 13	Conflict of Interest Compliance Certificate
Attachment 14	Request for Inclusion on the Mailing List
Attachment 15	DVBE Participation

V. Sample Contract Forms / Exhibits

Exhibit #	Exhibit Name
Exhibit A1	Standard Agreement
Exhibit A	Scope of Work
Exhibit B	Budget Detail and Payment Provisions
Exhibit C – View on-line.	General Terms and Conditions (GTC307). View or download at this Internet site:
Exhibit D(F)	Special Terms and Conditions
Exhibit E	Additional Provisions
Exhibit F	Contractor's Release
Exhibit G	HIPAA Business Associate Addendum
Exhibit H	Information Confidentiality & Security Requirements

W. Program Appendices

Appendix #	Appendix Name
Appendix 1	Map with driving and parking instructions.

A. Purpose, Background and Description of Services

1. Purpose

The California Department of Health Care Services (DHCS), Pharmacy Benefits Division, Pharmacy Policy Branch, is soliciting proposals from firms that are able to complete a Survey of Actual Acquisition and Dispensing Costs of Pharmacy Products in the California Medicaid Program ("Pharmacy Survey"). Proposals must address all of the services described in Exhibit A entitled, "Scope of Work".

The Pharmacy Benefits Division, Pharmacy Policy Branch intends to make a single contract award to the most responsive and responsible firm earning the highest score. This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations) and other entities.

2. Background

On June 28, 2011, Governor Edmund G. Brown Jr. signed Assembly Bill 102 (Chapter 29, Statutes of 2011), the Health Trailer Bill, which provided authority to the Department of Health Care Services ("Department") to transition from a pharmacy reimbursement methodology based on average wholesale price (AWP) to a methodology based on actual acquisition cost for pharmacy products. The new reimbursement methodology will enable the Department to achieve savings while continuing to reimburse pharmacy providers in compliance with federal law.

In accordance with California Welfare and Institutions Code sections 14105.45 and 14105.451, the Department is conducting a Survey of Medi-Cal's Fee for Service (FFS) pharmacy providers to collect data and information on actual acquisition and dispensing costs of pharmacy products provided to Medi-Cal beneficiaries.

B. Proposer Notice for Document Delivery

This notice is in reference to, but not limited to, the submission of the following: Proposer Questions; Requests for Inclusion on the Mailing List; Letters of Intent; and Completed Proposals.

When submitting documents to DHCS, please consider the following:

1. DHCS' internal processing of U.S. Mail may add forty-eight (48) hours or more to the delivery time. If packages are mailed, consider using certified or registered mail and request a receipt upon delivery.
2. All hand deliveries must have a preset appointment by contacting OMCP at (916) 552-8006. **Deliveries will not be accepted without an appointment.** For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security personnel to call OMCP at (916) 552-8006 to arrange for pickup and receipt issuance. Proposers are warned not to surrender any deliverables in the care of any person other than an OMCP staff member.
3. Courier service personnel must sign-in at the security station and must obtain an access key card. Couriers will then be able to access pre-determined areas. If detained at the security

desk, ask security personnel to call OMCP at (916) 552-8006 to collect the package and to issue a receipt.

4. When faxing documents, please confirm delivery by calling OMCP at (916) 552-8006.

Proposals must be delivered via U.S. Mail or hand delivery to the address shown below. Proposals may not be faxed or e-mailed. All other submissions may be mailed, hand delivered, faxed or e-mailed, using the addresses shown below:

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Department of Health Care Services Office of Medi-Cal Procurement Devyn Stanger 1501 Capitol Ave. Suite 71.3041 MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Department of Health Care Services Office of Medi-Cal Procurement Nathan Greve or Subran Singh Fax: (916) 440-7369
Email: omcprfp8@dhcs.ca.gov	

C. Time Schedule

Below is the tentative time schedule for this procurement.

Event	Date	Time (If applicable)
RFP Final Released	June 27, 2012	
Proposal Due Date	August 24, 2012	4:00 pm
Notice of Intent to Award Posted	September 28, 2012	
Protest Deadline	October 5, 2012	4:00 pm
Contract Award Date	October 8, 2012	
Proposed Start Date of Agreement	October 12, 2012	

D. Contract Term

The term of the resulting agreement is expected to be Twenty-four (24) months and is anticipated to be effective from 10/12/2012 through 10/12/2014. The agreement term may change if DHCS makes an award earlier than expected or if DHCS cannot execute the agreement in a timely manner due to unforeseen delays. DHCS reserves the right to extend the term of the resulting agreement via an amendment as necessary to complete or continue the services.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained and the Contractor is advised by DHCS to begin work. If performance commences before all approvals are obtained, said services may be considered to have been volunteered until all approvals are obtained.

E. Proposer Questions

Immediately notify DHCS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions, or requirements. Put the inquiry in writing and transmit it to DHCS as instructed below. At its discretion, DHCS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a proposal at their own risk. In addition, if awarded the contract, the successful Proposer shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

If a prospective Proposer reports a suspected or known problem or identifies language in the RFP that needs further clarification, DHCS, through its administrative bulletin process, will email, fax and post on its website the summary and responses to all agencies who received this RFP.

If an inquiry appears to be unique to a single firm or is marked "Confidential", DHCS will mail, email, or fax a response only to the inquirer if DHCS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If DHCS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be notified. Inquiries and/or responses that DHCS agrees should be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

1. What to include in an inquiry

- a. Inquirer's name, name of firm submitting the inquiry, mailing address, email address, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question. Format inquiries as follows:

RFP Reference	Section	Page Number	Question
Use "General" for general questions. Use "RFP" if the question is about a section in the RFP. For questions regarding Exhibits and Attachments, identify the Exhibit by letter and the	Indicate the RFP section by letter. Include the number(s) or letter(s) of any subsection(s) or paragraph(s). Indicate the Exhibit letter and identify any subsection(s) by number(s) or letter(s).	Example: 27 of 47	

Attachment by number, e.g., "Exhibit A/Att I", "Attachment 2", etc.			
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d. Remedy sought, if any.

A prospective Proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked "Confidential". The inquirer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

2. Question deadline

Regardless of delivery method, written inquiries must be received no later than **4:00 p.m. on July 6, 2012.**

Notwithstanding the question submission deadline, DHCS will accept questions or inquiries about the following issues if such inquiries are received prior to the proposal submission deadline.

- a. Disabled Veteran Business Enterprise (DVBE) participation requirements and how to complete the DVBE attachments.
- b. The reporting of RFP errors or irregularities.

3. Verbal Questions

Verbal inquiries are discouraged. DHCS reserves the right not to accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.**

Direct all verbal requests for DVBE assistance to DHCS' DVBE Coordinator at (916) 650-0205 up to the proposal deadline.

F. Data Library

A Data Library will not be used for this procurement.

G. Pre-Proposal Conference

DHCS will not hold a Pre-Proposal Conference for this procurement.

H. Reasonable Accommodations

For individuals with disabilities, DHCS will provide assistive services such as sign-language interpretation, real-time captioning, note takers, reading or writing assistance, Request for

Proposal, questions/answers, RFP Addenda, Administrative Notices into Braille, large print, audio cassette, computer disk, or CD.

Devyn Stanger
Office of Medi-Cal Procurement
Program telephone number (916) 552-8006
(TTY) California Relay telephone number 711-1-800-735-2929

NOTE: The range of assistive services available may be limited if requestors cannot allow ten or more state working days prior to date the alternate format material is needed.

I. Request for Inclusion on the Mailing List

1. General Information

DHCS recognizes that all parties who receive and/or download this RFP may not remain interested in receiving continuous updates and change notices concerning this RFP. Additionally, DHCS is highly interested in reducing the high printing and mailing costs associated with the distribution of RFP Administrative Bulletins and RFP Addenda to all persons on DHCS' initial Proposer's list and/ those persons who downloaded this RFP from the Internet.

- a. In an effort to reduce procurement costs, DHCS will only provide RFP Administrative Bulletins and RFP Addenda to those individuals and prospective Proposers that submit a Request for Inclusion on the RFP Mailing List form, **Attachment 14**, according to the instructions herein.
- b. To obtain timely RFP Administrative Bulletins and RFP Addenda, submit the Request for Inclusion on the RFP Mailing List form, **Attachment 14**. After such date only those who have an Attachment 14 on file shall receive updates related to this procurement.

Notwithstanding the submission deadline above, OMCP will continue to accept an untimely Request for Inclusion on the RFP Mailing List form, **Attachment 14** up to the proposal submission due date.

- c. It is incumbent upon any prospective Proposer that has not submitted a Request for Inclusion on the RFP Mailing List form, but intends to submit a proposal, to monitor the following website for any RFP Administrative Bulletins and RFP Addenda and/or other updates to the RFP:

http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx

- d. Any interested party may also contact OMCP at (916) 552-8006 to request any RFP Administrative Bulletins and RFP Addenda and/or other updates to the RFP.

J. Voluntary Non-Binding Letter of Intent

1. General information

Prospective Proposers are asked to voluntarily indicate either their intention to submit a proposal or to indicate the reason(s) for not submitting a proposal. Failure to submit the Voluntary Letter of Intent will not affect the acceptance of any proposal. The Voluntary Letter of Intent is not binding and prospective Proposers are not required to submit a

proposal merely because a Voluntary Letter of Intent is submitted. **Use the Letter of Intent (Attachment 9) for this purpose.**

Regardless of delivery method, the Voluntary Letter of Intent should be received by **4:00 pm on July 6, 2012.**

K. Scope of Work

See Exhibit A entitled, "Scope of Work" that is included in the Exhibit Section of this RFP. Exhibit A contains a detailed description of the services and work to be performed as a result of this procurement.

L. Qualification Requirements

Failure to meet the following requirements by the proposal submission deadline will be grounds for DHCS to deem a Proposer nonresponsive. Evaluators may choose not to thoroughly review or score proposals that fail to meet these requirements. In submitting a proposal, each Proposer must certify and prove that it possesses the following qualification requirements.

1. Experience Requirements:

At least one (1) engagement of experience of the type(s) listed below. Experience must have occurred within the past five years. It is possible to obtain the experience types listed below during the same time period. Proposers must have experience:

- a. Developing and designing statistically valid survey instruments to capture product acquisition and dispensing cost data/information from pharmacy or non-pharmacy providers.
- b. Developing and designing pharmacy reimbursement methodologies for Government or Private Healthcare programs.

2. Compliance with Contract Terms and Conditions:

Proposers must certify they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits.

3. Corporations:

Corporations must certify they are in good standing and qualified to conduct business in California.

4. Non-Profit Organizations:

Non-profit organizations must certify their eligibility to claim nonprofit status.

5. Past Business Practice:

Proposers must have a past record of sound business integrity and a history of being responsive to past contractual obligations.

6. Financial Stability:

Proposers must certify they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.

7. Follow-on Consultant Contract Disclosure:

Proposers must certify their proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation. Detailed requirements are outlined in **Attachment 8**.

PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement. Consultants and employees of a firm that provides consulting advice under an original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.

PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract, and/or imposition of criminal penalties.

8. Disabled Veteran Business Enterprise Participation Requirements

Proposers must meet a Disabled Veteran Business Enterprise (DVBE) participation goal of 3% for this solicitation. Detailed information and instructions are outlined in **Attachment 15** (DVBE Participation). This requirement applies if the total cost or price offered equals \$10,000 or more.

9. Darfur Contracting Act:

Pursuant to the Darfur Contracting Act of 2008 (California Public Contract Code Section 10475 et seq.), Proposers must certify their status as “scrutinized” company and their eligibility to submit a proposal response. A “scrutinized” company is defined in Public Contract Code Section 10476. Detailed certification requirements appear in **Attachment 10**.

10. Liability Insurance Requirement:

The winning Proposer must supply, before contract execution, proof of liability insurance that meets the requirements of Provision 7 of Exhibit E entitled, Additional Provisions.

11. Conflict of Interest Certification:

Proposers must certify and submit proof that no prohibited conflict of interest exists as instructed on **Attachment 13**, Conflict of Interest Compliance Certificate.

M. Proposal Format and Content Requirements

1. General Instructions

- a. Each firm or individual may submit only one proposal.

For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, DHCS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another Proposer’s proposal. Similarly, more than one Proposer may use the same subcontractors and/or independent consultants.

- b. Develop proposals by following all RFP instructions and/or clarifications issued by DHCS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting a proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood.
- d. In preparing a proposal response, all narrative portions should be straightforward, detailed and precise. DHCS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of the proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit the proposal.

2. Format Requirements

- a. Assemble the Narrative Proposal and Cost Proposal as follows:

- 1) Assembly of the Narrative Proposal

- a) Submit one (1) original proposal and five (5) copies or sets and one (1) CD-ROM of the proposal in any DHCS standard platform (i.e., Word, Excel, or PDF formats). The CD-ROM must be identical to, and contain everything included in, the proposal hard copy. The hardcopy is considered the official version in the case that a discrepancy occurs. The Narrative Proposal must be submitted in a separate package than the Cost Proposal.
- b) Write “**Original**” on the original proposal set.
- c) Each proposal set must be complete with a copy of all required attachments and documentation.
- d) Proposals shall be submitted in full, bound sets under sealed cover, e.g., proposal set 1 shall be packaged as a complete set rather than having all five copies of binder 1 packaged together.

- e) Each box must be identified as follows:

NARRATIVE PROPOSAL FOR THE
Pharmacy Survey
RFP # 11-88326
Original Set (or Set 1 of 5, Set 2 of 5, etc.)
Box 1 of X (number of boxes needed for each set), etc.

- f) Format the narrative portions of the proposal as follows:

- i. Use one-inch margins at the top, bottom, and both sides.
- ii. Use a font size of not less than 11 points.
- iii. Print pages single-sided on white bond paper.
- iv. Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.
- v. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
- vi. All RFP attachments that require a signature must be signed in ink, preferably in a color other than black.
- vii. Have a person who is authorized to bind the proposing firm sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
- viii. Place the originally signed attachments in the proposal set marked "Original".
- ix. The RFP attachments and other documentation placed in the extra proposal sets may reflect photocopied signatures.
- x. Do not mark any portion of the proposal response, any RFP attachment, or other item of required documentation as "Confidential" or "Proprietary". DHCS will disregard any language purporting to render all or portions of a proposal confidential.

- 2) Assembly of the Cost Proposal (**note: the Cost Proposal is submitted as a separate sealed package**):

- a) Submit one (1) original proposal and five (5) copies or sets and one (1) CD-ROM of the Cost Proposal in any DHCS standard platform (i.e., Word, Excel, or PDF formats). The CD-ROM must be identical to, and contain everything included in, the proposal hard copy. The hardcopy is considered the official version in the case that a discrepancy occurs. The Cost Proposal must be submitted in a separate package than the Narrative Proposal.
- b) Write "**Original**" on the original Cost Proposal set.
- c) Each proposal set must be complete with a copy of all required attachments and documentation.

- d) Proposals shall be submitted in full, bound sets under sealed cover, e.g., proposal set 1 shall be packaged as a complete set rather than having all five copies of binder 1 packaged together.
- e) Each box must be identified as follows:

COST PROPOSAL FOR THE
Pharmacy Survey
RFP # 11-88326
Original Set (or Set 1 of 5, Set 2 of 5, etc.)
Box 1 of X (number of boxes needed for each set), etc.

3. Content Requirements

This section specifies the order and content of each proposal. Assemble the materials in each proposal set in the following order:

- a. Proposal Cover Page

A person authorized to bind the Proposer must sign the Proposal Cover Page (**Attachment 1**). If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

- b. Table of Contents

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

- c. Executive Summary Section

This section must not exceed three (3) pages in length. Evaluators may not review or evaluate excess pages.

In preparing the Executive Summary, do not simply restate or paraphrase information in this RFP. Describe or demonstrate, in the Proposer's own words, the following information.

- 1) An understanding of DHCS' needs and the importance of this project for the Med-Cal Fee for Service Pharmacy Program.
- 2) The tangible results that are expected to be achieved.
- 3) A sincere commitment to perform the scope of work in an efficient and timely manner.
- 4) How this project will be effectively integrated into the proposing firm's current obligations and existing workload.
- 5) Why the proposing firm should be chosen to undertake this work at this time.

d. Proposing Firm Capability Section

- 1) Include a brief history of the proposing firm, including:
 - a) Date of establishment. If applicable, explain any changes in business history or organizational structure that will assist DHCS in determining the qualifications of the proposing firm.
 - b) A description of the proposing firm's goals that are relevant, closely related, or will complement this project.
 - c) Proposers must list all previous relationships with DHCS programs or initiatives for which consulting services were provided in the last five years.
- 2) Describe experience that qualifies the proposing firm to undertake this project. It is desired that the proposing firm possesses experience of the types listed in this section. All experience must have occurred within the past five (5) years. It is possible to attain the experience types listed below during the same time period with various engagements. It is also possible to attain the experience types listed below through a combination of engagements (i.e. not all the types of experience listed below need to be covered in a unique engagement). Describe experience in:
 - a) Developing, designing, implementing pharmacy dispensing and acquisition cost surveys;
 - b) Project management involving diverse Stakeholder groups and Government or Private Payer organizations
 - c) Developing and calculating defensible pharmacy reimbursement rates such as AAC, MAIC, discounted AWP rates;
 - d) Cost identification and cost allocation methodologies specific to dispensing pharmacy products in retail pharmacies;
 - e) Identifying and characterizing Specialty Pharmacy Products;
 - f) Developing Healthcare Common Procedure Coding System (HCPCS) rates;
 - g) Performing Pharmacy financial cost audits;
 - h) Working with State Medicaid administrative claims data for the purpose of data and fiscal modeling analysis ;
 - i) Working with a Drug Pricing Compendia, such as provided by First Databank including specialized knowledge of the Drug classification systems ,File Structures and various pricing benchmarks such as AWP, FUL, MAIC, AMP, or WAC;
 - j) Current State and Federal Medicaid requirements relating to pharmacy reimbursement;
 - k) Applying advanced statistical analysis methods to pharmacy acquisition and dispensing cost data;
 - l) Performing fiscal impact modeling analyses on Medicaid administrative pharmacy claims data;
 - m) Applying quality assurance standards when developing, designing and administering pharmacy surveys;
 - n) The use and application of appropriate software toolsets and applicable documentation management technologies for this type of project;
 - o) Specialty Drug products and related current market reimbursement methodologies;
 - p) Home infusion drug products/ supplies and related current market reimbursement methodologies;

- q) Effectively Managing helpdesk support functions to resolve issues and answer inquiries from survey participants
 - 3) Briefly describe no more than three (3) accounts or work projects begun and/or completed in the past five (5) years that involved services similar in nature or closely related to the Scope of Work in this RFP. For each account or project listed, include the following information:
 - a) Name of agency and contact name from the entity for whom services were performed;
 - b) Duration or length of the project;
 - c) Total cost or value of the project;
 - d) Indicate if the account or project is “active/open” or “closed/settled”; and
 - e) Describe briefly the type and nature of the services performed.
 - f) Samples of work products similar in nature to those requested in this RFP
 - 4) Identify three client references serviced within the past three years that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services or deliverables. Use the Client References **(Attachment 4)** for this purpose. **Place the completed Client References form in the Forms Section of the proposal.**
- e. Work Plan Section
- 1) Overview
 - a) DHCS is interested in proposals that provide well-organized, comprehensive, and technically sound business approaches. Vague explanations will undermine the proposing firm’s credibility and will result in reduced proposal scores.
 - b) If the nature of a task or function hinders specific delineation of in-depth methods and procedures (e.g., a task is dependent upon a future action or multiple approaches may be used), explain the probable methods, approaches, or procedures that will be used to accomplish the task or function. Also, describe, in this instance, how the proposing firm will propose the ultimate strategies and detailed plans to DHCS for full consideration and approval before proceeding to carry out the project.
 - 2) Rejection of Tasks, Activities or Functions

If full funding does not become available, is reduced, or DHCS determines that it does not need all of the services described in this RFP, DHCS reserves the right to offer an amended contract for reduced services.
 - 3) Work Plan Content
 - a) Describe the overall approach and/or methods that will be used to accomplish the scope of work, addressing the following items:
 - i. The logical development of each of the deliverables;
 - ii. Implementing appropriate documentation management change control procedures to ensure project documentation and deliverables are updated, revised accurately and in a timely manner;

- iii. The types and extent of administrative claims data, provider and product type information, and other appropriate identification and classification variables to meet Pharmacy Survey requirements;
 - iv. The Survey Packet Development process, including the management process to seek and validate stakeholder input on relevant factors and elements to be included for the Survey instrument;
 - v. The types of letters, documents, and forms the proposer shall be responsible to develop for inclusion in the survey packet;
 - vi. The reporting metrics the proposer shall provide to the Department to monitor survey performance measurements;
 - vii. The rationale for necessary tasks to determine a statistically valid data sample and assess the necessary time span for the invoice and off invoice data submission period;
 - viii. The methods and types of information to be requested from providers, pharmacy warehouses, manufacturers and wholesalers for the purposes to determine accurate, verifiable and justifiable pharmacy product average acquisition costs and dispensing costs;
 - ix. The types of documentation and records the proposer will examine to determine off-invoice discounts and other post-payments;
 - x. The Survey Execution Phase to collect and manage the survey data;
 - xi. Minimization of the administrative burden to participate in the Pharmacy survey process for the Medi-Cal providers, pharmacy warehouses, manufacturers and wholesalers;
 - xii. The need for appropriate data validation and verification processes;
 - xiii. The confidentiality and security of the survey data is preserved and not compromised throughout the project life cycle;
 - xiv. A Stakeholder Communication Plan throughout all phases of the project;
 - xv. The types and frequency of communication methods (for example phone, email, written correspondence, webinar), that are to be utilized to ensure survey participation and data submission rates achieve optimal results;
 - xvi. The determination of Healthcare Common Procedure Coding System (HCPCS) rates for home infusion drugs and supplies;
 - xvii. The determination of MAIC rates for drug products based on actual acquisition cost information;
 - xviii. The determination of pharmacy rates based on actual acquisition cost data and /or national pricing benchmarks for drug products;
 - xix. The validation of the authenticity of the rates calculated based on actual acquisition cost information using pharmacy warehouse data, wholesaler, manufacturer and other national pricing benchmarks;
 - xx. Standard documentation procedures for all software code, queries to perform data analyses relating to calculation of rates and reports based on the Pharmacy survey data;
 - xxi. Traceability and verification processes to ensure all project artifacts are turned over to the Department prior to the effective end date of the contract.
- b) If any major complications or delays are envisioned at any stage of performance, describe those complications or delays and include a proposed strategy for overcoming those issues. Likewise, indicate if no major complications or delays are anticipated.
- c) If, for any reason, the Work Plan does not wholly address each Scope of Work (SOW) requirement, fully explain each omission. Likewise, indicate if the Work Plan contains no omissions.

- d) Indicate the assumptions made in developing the Work Plan in response to DHCS' Scope of Work. For each assumption listed, explain the reasoning or rationale that led to each assumption. Likewise, indicate if no assumptions were made.
- e) If applicable, identify any additional Contractor and/or State responsibilities that were included in the Work Plan that are believed to be necessary to ensure successful performance, but were omitted from DHCS' Scope of Work. Likewise, indicate if no additional Contractor and/or State responsibilities, outside of those identified in DHCS' SOW were included in the Work Plan.

f. Project Management Plan Section

- 1) In Work Breakdown Structure (WBS) format utilizing an industry standard project management tool, submit a Project Management Plan identifying the specific tasks/activities and functions that will be performed in the order they are likely to occur. Include the following in-depth information for each task/activity or function in the Project Management Plan:
 - i. Include all listed requirements and key activities, as well as tasks, milestones, deliverables, task dependencies for the proposed solution.
 - ii. Indicate who will have primary responsibility for performing each major task/activity or function. If known, identify the name and position title of all key personnel, subcontractors, and/or consultants that will perform the work.

If the responsible party is unknown or not yet identified, identify a staff position title or project name/title and indicate "TBD" which is the abbreviation for "to be determined".
 - iii. Include a performance time line for each major task/activity or function. Indicate the approximate beginning and ending month and year. If a task/activity or function will only occur in one fiscal period or year, indicate the beginning and ending month and year.

If desirable, in addition to start and end dates, Proposers may use other terms such as start-up, on-going, continuous, take-over, turn-over, etc. to describe the performance time line. In doing so, Proposers must define the meaning of each unique term that is used.
 - iv. Include activities that demonstrate how the Proposer intends to measure or prove successful completion of each major task, function, or activity. If applicable, identify the key events or outcomes that will signify completion or identify tangible items (deliverables) that will result at the conclusion of the various tasks/activities or functions
- 2) Include an organization chart. Instructions are explained in the Appendix Section. **Place the organization chart in the Appendix Section of the proposal.**

g. Project Personnel Section

The Contractor shall provide at a minimum:

A Project Manager to oversee and coordinate all phases of the project, and shall have access to the subject matter expertise of:

- A statistician who is qualified and experienced to validate survey design, sampling methodologies, and statistical nature of survey findings;
- A pharmacist who is knowledgeable in Medicaid pharmacy reimbursement methodologies;
- A Healthcare professional with experience and current product and reimbursement knowledge relating to Specialty pharmacy and home infusion products and supplies;
- A Certified Public Accountant who is qualified and experienced in various cost finding and analytical strategies applicable to understanding pharmacy businesses operations, accounting and knowledge relating to development and design of pharmacy reimbursement methodologies; and
- A Business Analyst with experience and knowledge related to healthcare administrative claims databases available in Government Healthcare programs and or private payer systems environments.
- Survey Support Staff to provide help desk support services related to the survey, and to provide database / systems support to facilitate the importing and data editing process, or programming and reporting for analysis.

1) In this section, describe the proposed staffing plan.

In the staffing plan, include at a minimum:

- a) Position titles for all proposed employees (persons on the proposing firm's payroll).
- b) Number of personnel in each position.
- c) By position, indicate the full time equivalent (FTE) or percentage of staff time devoted to this project (e.g., full time = 1.0, 1/2 time = .50, 3/4 time = .75, 1/4 time = .25, projected number of hours, if hourly, etc.).
- d) Include a job description or duty statement for each position title or classification that will perform work under this project. The job descriptions must indicate the typical tasks and responsibilities that will be assigned to the position and may include desired or required education and experience. **Place all job descriptions or duty statements at the end of the Project Personnel Section.**
- e) Identify by name and/or position title, each key staff person that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with DHCS (i.e., Project or Program Manager, Project or Program Director, Contract Manager, etc.).
 - i. Briefly, describe each person's expertise, capabilities, and credentials.

- ii. Emphasize any relevant past experience in directing, overseeing, coordinating, or managing other government projects similar to this engagement.
 - f) Include a 1-2 page resume for each key staff person (professional, managerial or supervisory) that will exercise a major administrative, policy, or consulting role in carrying out the project work. **Place staff resumes in the Appendix Section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- 2) Briefly, describe the administrative policies or procedures will be used to ensure that the proposing firm will recruit and select well-qualified, competent, and experienced in-house staff, subcontractors and/or independent consultants.
- a) If employee recruitment/selection policies or procedures are present in an operations manual, Proposers may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to the proposal. If deemed necessary, DHCS may request copies of the Proposer's existing manuals or policies.
- 3) Briefly, describe the processes or procedures that will be used to ensure that vacancies are filled expeditiously and that services are continued despite the presence of vacancies.
- 4) If subcontractors (including independent consultants) will be used to perform contract services, Proposers must do the following at the time of proposal submission:
- a) Indicate if the Proposer has pre-identified any firms/persons to perform the work or if the Proposer will recruit them later.
 - i. For each pre-identified subcontractor and independent consultant include:
 - A. Full legal name.
 - B. A job description or duty statement that outlines the duties and functional responsibilities that will be assigned to the subcontracted firm or independent consultant.
 - C. A brief explanation as to why the subcontracted firm or independent consultant was chosen. Stress details such as applicable skills, knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, notoriety in a field or specialty, etc.
 - D. A one to two page resume for each pre-identified subcontractor and independent consultant. **Place all subcontractor and/or consultant resumes in the Appendix Section.** Resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
 - E. A letter of agreement, signed by an official representative of each subcontractor or independent consultant. **Place all subcontractor and/or consultant letters of agreement in the Appendix Section.**

Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the contract award.

- ii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to DHCS or are to be determined (TBD) after the contract is executed, include:
 - A. An identification of the functions, activities, and responsibilities that will be assigned to each subcontractor and/or independent consultant.
 - B. A description of the process that will be used to obtain DHCS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

h. Facilities and Resources

- 1) Describe office facilities that are sufficient to enable performance of this scope of work as it relates to this project.
- 2) Describe how the facilities security provisions meet the Department requirements to maintain and preserve the confidentiality and security of the information collected from providers, wholesalers, pharmacy warehouses, and manufacturers.

i. Cost Section

1) Basic Content

Indicate on the Cost Proposal form the **all-inclusive** rate for **each** deliverable as described below.

- a) The Cost proposal is based on the development of four (4) distinct deliverables over the course of the contract:

1	Master Project Schedule including the following management plans: <ul style="list-style-type: none"> • Stakeholder Communication Plan • Survey Development Plan • Survey Implementation Plan • Survey Data Collection Plan (includes audit, validation, verification, and security and backup/recovery measures) • Resource Management Plan 	15%
2	Pharmacy Survey Package	35%
3	Pharmacy Survey Findings Reports and Presentations	40%
4	Supporting documentation and additional analyses exhibits	10%

2) General Instructions

- a) The Cost Proposal must be submitted separately packaged from the Narrative Proposal.
- b) The Cost Proposal form must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections preferably in blue ink.
- c) On the Cost Proposal form, indicate the total cost for each named deliverable.
- d) When completing the Cost Proposal form, include all costs to perform the services, including applicable annual rate adjustments attributable to merit increases, profit margins, inflation or cost of living adjustments and all expenses.
- a) Include any information that will assist DHCS to understand how the proposed costs were determined and why the proposed costs are reasonable, justified, and/or competitive.

3) Required Cost Justification/Documentation

In the Cost Section of the proposal, include any facts and information to explain the reasonableness and/or necessity of the proposed budgeted costs.

Include any other information that will assist DHCS to understand how the proposed costs were determined and why the proposed costs are reasonable, justified, and/or competitive. Unless discussed elsewhere within this section, explain any unusually high or disproportionate cost elements appearing in any of the required deliverables.

j. Appendix Section

Complete, sign, and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

1) **Proof of Corporate Status**

If the Proposer is a Corporation, submit **either** a copy of the proposing firm's most current Certificate of Status issued by State of California, Office of the Secretary of State **or** submit a downloaded copy of the proposing firm's on-line status information from the California Business Portal website of California's Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm's Bylaws or Articles of Incorporation.

2) **Proof of Nonprofit Status**

Nonprofit organizations must prove they are legally eligible to claim "nonprofit" and/or tax-exempt status by submitting a copy of an Internal Revenue Service determination letter indicating nonprofit or 501 (3) (c) tax-exempt status. Submit an explanation if this documentation cannot be supplied.

3) An Organization Chart

The organizational chart must show the lines of authority and reporting relationships within the Proposer's organization including the relationship between management and subcontractors and/or independent consultants, if any.

4) Staff Resumes

Resume specifications appear in the Project Personnel Section. To the extent possible, resumes should not exceed one to two pages in length per person and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

5) Subcontractor/Consultant Resumes

Submit a resume for each pre-identified subcontractor or independent consultant, if any, as discussed in the Project Personnel Section. To the extent possible, resumes should not exceed one to two pages in length per person and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

6) Subcontractor/Consultant Letters of Agreement

For each pre-identified subcontractor and independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, indicating his or her acknowledgement of being named as a subcontractor or consultant, their availability to work on this project and acknowledgement that they have read or been made aware of the proposed contract terms, conditions and exhibits. Include an explanation if a letter of agreement cannot be obtained from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

7) Conflict of Interest Compliance Certificate

Any firm that intends to submit a proposal is required to submit **Attachment 13** certifying that the proposing firm:

- i. Is not currently involved with or connected to any Contractor or subcontractor (including independent consultant) that is contracted with any Medi-Cal Managed care health plan, provider, or billing agent for Medi-Cal Services, and;
 - ii. Understands that the conflict of interest requirements shall remain in effect for the entire term of the resulting agreement.
- a) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of DHCS before the award of the contract, the conflict will be grounds for deeming a proposal non-responsive.

- b) Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in **Attachment 13**. Complete, sign, and attach any required documentation according to the instructions on the attachment. **Place Attachment 13 and any accompanying documentation in the Appendix Section of the proposal.**

k. Forms Section

Complete, sign, and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

Attachment #, Name, or Documentation	Instructions
2 - Required Attachment / Certification Checklist	<p>1) Check each item with “Yes” or “N/A”, as applicable, and sign the form. If necessary, explain the choices.</p> <p>2) If a Proposer marks “Yes” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response”, determined by DHCS to be unsatisfactory or insufficient to meet a requirement, may cause a Proposal to be deemed nonresponsive.</p>
3 - Business Information Sheet	Completion of the form is self-explanatory.
4 - Client References	Identify three (3) clients serviced within the past five years that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.
5 - RFP Clause Certification	Complete and sign this form indicating a willingness and ability to comply with the contract certification clauses appearing in the RFP section entitled, “Bid Requirements and Information,” subsection “Bidding Certification Causes”.
6 - CCC 307 – Certification	<p>Complete and sign this form indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The attachment supplied in this solicitation represents only a portion of the contractor information in this document. Visit this web site to view the entire document:</p> <p>http://www.ols.dgs.ca.gov/Standard+Language/default.htm.</p>

Attachment #, Name, or Documentation	Instructions
7 - Payee Data Record	Complete and return this form <u>only</u> if the proposing firm has not previously entered into a contract with DHCS. If uncertain, complete and return the form.
8 – Follow-on Consultant Contract Disclosure	Complete and sign this form. If applicable, attach to this form the appropriate disclosure information.
9 – Voluntary Letter of Intent	This is a non-binding Letter of Intent whose purpose is to assist DHCS in determining the staffing needs for the Proposal evaluation process and to improve future procurements.
10- Darfur Contract Act Certification	Completion of this form is self-explanatory.
11a-Non-Small Business Subcontractor Preference Request 11b-Small Business Subcontractor / Supplier Acknowledgement	Submission of these forms is optional. Read and carefully follow the completion instructions in Attachments 11, 11a, and 11b. Complete and return Attachments 11a and 11b <u>only</u> if the bidding firm is a not a certified small business but is requesting a subcontractor bidding preference by committing to use one or more certified small business subcontractors for an amount equal to at least 25% of the total bid price.
12 – Cost Proposal Form	Complete the Cost Proposal form. Include all estimated costs in your all inclusive rate proposal to perform the services over the entire contract term, including applicable annual rate adjustments attributable to merit increases, profit margins, and inflation or cost of living adjustments.
13 – Conflict of Interest Compliance Certificate	<p>Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in this attachment. Complete, sign and attach any required documentation according to the instructions in the attachment.</p> <p>In the event a Proposer has a suspected or potential conflict relationship, the Proposer must provide a written statement to DHCS that describes what relationship it has with the entity in question, and its plan for protecting DHCS from any potential conflict or negative impact.</p>
14 – Request for Inclusion on the Mailing List	This is a voluntary request form, which will allow DHCS to continue to provide your firm with the automatic updates to this RFP.
15 – Actual DVBE Participation and applicable DVBE Incentives	Submission of this form only applies to contract awards that will equal \$10,000 or more for the entire contract term.

N. Proposal Submission

1. General Instructions

- a. Proposer must submit the Narrative Proposal and the Cost Proposal at the same time, but in separate, sealed packages.
- b. Place all proposal copies in a single envelope or package, if possible. Seal the envelope or package.

If more than one envelope or package is submitted, carefully label each one as instructed below, and mark on the outside of each envelope or package "1 of X", "2 of X", etc.

- c. Mail or arrange for hand delivery of the proposal to the California Department of Health Care Services, at the address indicated below. Proposals may not be transmitted electronically by fax or email.
- d. The OMCP must receive the proposal, regardless of postmark or method of delivery, by **4:00 pm on August 22, 2012**. Late proposals will not be reviewed or scored.

2. Proof of Timely Receipt

- a. Upon delivery of the Narrative Proposal and Cost Proposal to the OMCP, each Proposer will be issued a receipt indicating the date and time the proposal package/envelope was received. If a proposal envelope or package is hand delivered, DHCS OMCP staff will give a bid receipt to the hand carrier upon request. If a proposal package envelope or package is mailed, the contracted Medi-Cal Managed Care Health Plan staff will mail a receipt to the Proposer.
- b. To be timely, OMCP must receive each proposal at the stated delivery address no later than 4:00 p.m. on the proposal submission due date. Neither delivery to the department's mailroom, or to the DHCS program that issued this RFP, or a U.S. postmark will serve as proof of timely delivery.
- c. DHCS will deem late proposals non-responsive.

3. Proposer Costs

Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

O. Evaluation and Selection

A multiple stage evaluation process will be used to review and/or score narrative proposals. DHCS shall reject any proposal that is deemed to be non-responsive, at any stage of evaluation.

A separate evaluation committee will be used for all stages during the evaluation and selection process. The evaluation committee is comprised of four groups:

The **Preliminary Review Committee (PRC)** consists of team leads from OMCP and the Pharmacy Benefits Division (PBD) and conducts the Stage 1 review.

The **Evaluation Scoring Committee (ESC)** consists of PBD staff and DHCS staff working in other areas of the Medi-Cal program. The ESC conducts the review of the proposals.

The **Rating Review Committee (RRC)** consists of OMCP management staff and members of the PRC. The RRC will interact with the ESC throughout the evaluation process.

The **Executive Review Committee (ERC)** consists of DHCS management officials. The ERC may, at the members' discretion, review evaluation and selection processes and recommended scores for each proposal throughout the procurement process. The review is to assure all appropriate processes have been followed. Additionally, the ERC may seek independent review or advice from individuals within the DHCS or elsewhere regarding procurement policy matters, narrative and/or rate proposal deficiencies, and acceptability.

1. Stage 1 – Required Attachment / Certification Checklist Review

- a. Shortly after the proposal submission deadline, DHCS staff will convene to review each proposal for timeliness, completeness, and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
- b. In this review stage, DHCS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist to determine if the Proposer's claims are accurate.
- c. If deemed necessary, DHCS may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment / Certification Checklist and to ensure that the proposal is initially responsive to the RFP requirements.
- d. If a Proposer's claims on the Required Attachment / Certification Checklist cannot be proven or substantiated, the proposal will be deemed non-responsive and rejected from further consideration.

2. Stage 2 – Narrative Proposal Evaluation/Scoring

- a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to the Evaluation Scoring Committee (ESC).

The raters will individually and/or as a team review, evaluate and numerically score proposals based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.

- b. DHCS will use the following scoring system to assign points. Following this chart is a list of the considerations that raters may take into account when assigning individual points to a narrative proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposer does not include a response and/or supporting information for the requirement(s) or does not commit to meet the RFP requirement(s).
1	Barely Adequate	Response and/or supporting information just meets the RFP requirement(s) and/or the information is unclear. Response provides very minimal descriptive information to support the Proposer's claim that they understand and intend to meet the requirement(s).
2	Adequate	Response and/or supporting information meets the basic RFP requirement(s) and demonstrates an understanding of, and the ability and intent to meet the requirement(s). There may be omission(s), flaw(s) and/or defect(s) but they are inconsequential and acceptable.
3	More than Adequate	Response and/or supporting information demonstrates a thorough, detailed and complete understanding of the requirement(s), demonstrates the ability and intent to meet the requirement(s), provides evidence of current ability to comply, and/or provides detailed plans or methodologies to further assure compliance with the requirement(s). The response is not considered excellent or outstanding but is above average and has no flaw(s), omission(s) or defect(s).
4	Excellent or Outstanding	Response and/or supporting information demonstrates a thorough, detailed and complete understanding of the requirement(s). Response demonstrates the ability and intent to <u>exceed</u> the requirement(s), provides evidence of current ability to comply, and proposes detailed plans or methodologies that further assure how the requirement(s) will be exceeded.

- c. In assigning points for individual rating factors, raters may consider issues including, but not limited to, the extent to which a proposal response:
- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
 - 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
 - 3) Demonstrates that the Proposer understands DHCS' needs, the services sought, and/or the contractor's responsibilities, and/or
 - 4) Illustrates the Proposer's capability to perform all services and meet all scope of work requirements, and/or
 - 5) If implemented, will contribute to the achievement of DHCS' goals and objectives, and/or
 - 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).
- d. Below are the point values and weight values for each rating category that will be scored.

Proposals, excluding the Cost Section, will be scored on a scale of 0 to 375 points, as follows:

<u>Rating Category</u>	<u>Points</u>	<u>X</u>	<u>Weight</u>	<u>=</u>	<u>Total</u>
Agency Capability	68	X	1.25	=	85
Work Plan	84	X	2.5	=	210
Management Plan	16	X	0.5	=	8
Project Personnel	28	X	2.5	=	70
Facilities and Resources	8	X	0.25	=	2
Grand Total					375

3. Stage 3 – Scoring the Cost Section

a. The Cost Proposal evaluation will include the following:

- 1) Opening of the Cost Proposals;
- 2) Review of Cost Proposal submission for completeness and compliance with RFP instructions; and
- 3) Scoring the Cost Proposal in accordance with the formula below.

b. The proposal offering the lowest total cost earns 160 Cost points. The remaining proposals earn cost points through the cost conversion formula shown below. Final calculations shall result in numbers rounded to two decimal places.

$$\frac{\text{Lowest Cost}}{\text{Another Cost}} \times 160 \text{ (Possible cost points)} = \text{Cost score of the Other Proposal}$$

c. **Example for Illustration Purposes:**

Lowest cost earns 160 points.

$$\begin{aligned} &\$100,000 \text{ (lowest cost)} \div \$127,000 \text{ (another proposal cost)} = .7874 \\ &.7874 \times 160 \text{ points} = 125.98 \text{ (Cost Section Score of another Proposer)} \end{aligned}$$

4. Stage 4 – Combining Narrative Proposal Score and Cost Section Score

DHCS will combine the narrative proposal score to the final Cost Section score and will tentatively identify the firm with the highest combined proposal score from each of the earlier evaluation stage(s).

5. Stage 5 – Adjustments to Score Calculations for Bidding Preferences

- a. DHCS will determine which firms, if any, are eligible to receive a bidding preference (i.e., small business or non-small business subcontractor preference).
- b. To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total score for applicable claimed preference(s) for those Proposers eligible for bidding preferences. DHCS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the

Department of General Services. More information about the allowable bidding preferences appears in the RFP section entitled, "Preference Programs".

6. Stage 6 – Final Score Calculation

DHCS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

$$\begin{array}{r} \text{Narrative Score} \\ + \text{Cost Score} \\ \hline = \text{Total Point Score} \end{array}$$

P. Narrative Proposal Rating Factors

1. Agency Capability

Agency Capability Rating Factors	Points Possible	Points Earned
1. To what extent does the proposer demonstrate experience in developing, designing, and implementing pharmacy dispensing and acquisition cost surveys?	0-4	
2. To what extent does the proposer demonstrate experience developing and calculating justifiable pharmacy reimbursement rates such as AAC, MAIC, discounted AWP rates?	0-4	
3. To what extent does the proposer demonstrate experience in cost identification and cost allocation methodologies specific to dispensing pharmacy products in retail pharmacies?	0-4	
4. To what extent does the proposer demonstrate experience in identifying and characterizing Specialty Pharmacy Products?	0-4	
5. To what extent does the proposer demonstrate experience in developing Healthcare Common Procedure Coding System (HCPSC) rates?	0-4	
6. To what extent does the proposer demonstrate experience in performing Pharmacy financial cost audits?	0-4	
7. To what extent does the proposer demonstrate experience working with State Medicaid administrative pharmacy claims data for the purpose of data analysis?	0-4	
8. To what extent does the proposer demonstrate experience working with a Drug Pricing Compendia, such as provided by First Databank, including specialized knowledge of the File Structures and various pricing benchmarks such as AWP, FUL, MAIC, AMP, or WAC?	0-4	
9. To what extent does the proposer's proposal demonstrate understanding of the current State and Federal Medicaid requirements relating to pharmacy reimbursement?	0-4	
10. To what extent does the proposer demonstrate experience applying advanced statistical analysis methods to pharmacy acquisition and dispensing cost data?	0-4	

11. To what extent does the proposer demonstrate experience performing fiscal impact modeling analyses on Medicaid administrative pharmacy claims data?	0-4	
12. To what extent does the proposer demonstrate experience applying quality assurance standards when developing, designing and administering pharmacy surveys?	0-4	
13. To what extent does the proposer demonstrate experience in the use and application of appropriate software tools and applicable documentation management technologies for this type of project?	0-4	
14. To what extent does the proposer demonstrate experience related to Specialty Drug products and current market reimbursement methodologies?	0-4	
15. To what extent does the proposer demonstrate experience related to home infusion drug products/ supplies and current market reimbursement methodologies?	0-4	
16. To what extent does the proposer demonstrate experience managing helpdesk support functions to resolve issues and answer inquiries from survey participants?	0-4	
17. To what extent has the proposer provided any Work Product samples from similar projects that demonstrate relevancy and results to this scope of work?	0-4	
Agency Capability Score	68 Points earned x 1.25 =	85

2. Work Plan

Work Plan Rating Factors	Points Possible	Points Earned
18. To what extent does the proposed approach detail the logical development of each of the deliverables?	0-4	
19. To what extent does the proposed approach include implementing appropriate documentation management change control procedures to ensure project documentation and deliverables are updated and revised accurately and in a timely manner?	0-4	
20. To what extent does the proposed approach sufficiently detail the pre-survey development phase including Medi-Cal pharmacy administrative claims data types and extent of request information, analysis of provider and product types, appropriate identification and classification variables to meet Pharmacy Survey requirements?	0-4	
21. To what extent does the proposed approach sufficiently detail out the steps of the Survey Packet Development process, including the management process to seek and validate stakeholder input on relevant factors and elements to be included for the Survey instrument?	0-4	

Work Plan Rating Factors	Points Possible	Points Earned
22. To what extent does the proposed approach outline the types of letters, documents, and forms the proposer shall be responsible to develop for inclusion in the survey packet?	0-4	
23. To what extent does the proposed approach explain the reporting metrics the proposer shall provide to the Department to monitor survey performance measurements?	0-4	
24. To what extent does the proposed approach explain the rationale for the necessary tasks to determine a statistically valid data sample and assess the necessary time span for the invoice and off invoice data submission period?	0-4	
25. To what extent does the proposed approach sufficiently describe the methods and types of information to be requested in the pharmacy survey from providers, pharmacy warehouses, manufacturers and wholesalers to determine accurate, verifiable and defensible pharmacy product average acquisition costs and dispensing costs?	0-4	
26. To what extent does the proposed approach and methodology clearly explain the types of documentation and records that the proposer will examine to determine off-invoice discounts and other post-payment offsets?	0-4	
27. To what extent does the proposed approach sufficiently explain the Survey Execution Phase to collect and manage the survey data?	0-4	
28. To what extent does the proposed approach demonstrate an understanding of the requirement to minimize the administrative burden to participate in the survey for participating providers, pharmacy warehouses, manufacturers and wholesalers?	0-4	
29. To what extent does the proposed approach accommodate the need for appropriate data validation and verification processes?	0-4	
30. To what extent does the proposed approach and methodologies ensure that the confidentiality and security of the survey data is preserved and not compromised throughout the project life cycle?	0-4	
31. To what extent does the proposed approach outline sufficient detail for a Stakeholder Communication Plan throughout all phases of the project?	0-4	
32. To what extent does the proposed approach explain the types and frequency of communication methods (for example phone, email, written correspondence, webinar), that are to be utilized to ensure survey participation and data submission rates achieve optimal results?	0-4	
33. To what extent does the proposed approach and methodology explain how proposer would determine Healthcare Common Procedure Coding System (HCPCS) rates for home infusion drugs and supplies?	0-4	

Work Plan Rating Factors	Points Possible	Points Earned
34. To what extent does the proposed approach and methodology explain how the proposer would determine Maximum Allowable Ingredient Cost (MAIC) rates for drug products?	0-4	
35. To what extent does the proposed approach and methodology explain how the proposer would determine pharmacy rates based on actual acquisition cost data and /or national pricing benchmarks for drug products?	0-4	
36. To what extent does the proposed approach and methodology explain how the proposer would validate authenticity of the rates calculated based on actual acquisition cost information using pharmacy warehouse, wholesaler, manufacturer data and other national pricing benchmarks?	0-4	
37. To what extent does the proposer methodology sufficiently detail standard documentation procedures for all software code, queries to perform data analyses relating to calculation of rates and reports based on the Pharmacy survey data?	0-4	
38. To what extent does the proposed approach explain the traceability and verification processes to ensure all project artifacts are turned over to the Department prior to the end date of the contract?	0-4	
Work Plan Score	84 Points earned X 2.5 = 210	

3. Project Management Plan

Project Management Plan Rating Factors	Points Possible	Points Earned
39. To what extent did the Proposer provide an overall proposed project plan that includes all listed requirements and key activities, as well as tasks, milestones, deliverables, task dependencies and resources for delivering the proposed solution?	0-4	
40. To what extent are the proposed procedures, methods and approaches appropriate and reasonable (i.e., if implemented are they likely to produce the desired results within required timeframes)?	0-4	
41. To what extent, based upon the Work Plan, does the Proposer demonstrate understanding to perform the tasks/activities and functions in a logical order?	0-4	
42. To what extent did the Proposer detail how it will measure and/or prove the completion of major tasks, functions, or activities (i.e., identification of key events/outcomes or deliverables)?	0-4	
Project Management Plan Score	16 Points earned X 0.5 = 8	

4. Project Personnel

Project Personnel Rating Factors To what extent do the Project Personnel Resume and Experience meet the requirements of this project for;	Points Possible	Points Earned
43. A project manager who is qualified and experienced managing multi-level Stakeholder projects	0-4	
44. A statistician who is qualified and experienced to validate survey design, sampling methodologies, and statistical nature of survey findings	0-4	
45. A pharmacist who is knowledgeable in Medicaid pharmacy reimbursement methodologies	0-4	
46. A healthcare professional with experience and current product and reimbursement knowledge relating to specialty pharmacy and home infusion products and supplies	0-4	
47. A certified public accountant who is qualified and experienced in various cost finding and analytical strategies applicable to understanding pharmacy businesses operations, accounting and knowledge relating to development and design of pharmacy reimbursement methodologies	0-4	
48. A business analyst with experience and knowledge related to healthcare administrative claims databases available in government healthcare programs and or private payer systems environments.	0-4	
49. Survey support staff to provide help desk support services related to the survey, and to provide database/systems support to facilitate the importing and data editing process, or programming and reporting for analysis.	0-4	
Project Personnel Score	28 Points earned X 2.5 =	70

5. Facilities and Resources

Facilities and Resources Rating Factors	Points Possible	Points Earned
50. Does the Proposer have access to office facilities that are sufficient to enable performance of the scope of work as it relates to this project?	0-4	
51. Do the facilities security provisions meet the Department requirements to maintain and preserve the confidentiality and security of the survey information collected from providers, wholesalers, pharmacy warehouses, and manufacturers?	0-4	
Facilities and Resources Score	8 Points earned X 0.25 =	2

Q. Bid Requirements and Information

1. Non-responsive Proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause DHCS to deem a proposal non-responsive.

- a. Failure of a Proposer to:
 - 1) Meet DVBE participation goals for the full percentage amount of .5%.
 - 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of proposals.
 - 3) Pass the Required Attachment / Certification Checklist review (i.e., by not marking “Yes” to applicable items or by not appropriately justifying, to DHCS’ satisfaction, all “N/A” designations).
 - 4) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required, if applicable.
- b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.
- c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.
- d. If DHCS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.
- e. If other irregularities occur in a proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the scope of work, submits a counter proposal, etc.).

2. Proposal Modifications after Submission

- a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal.
- b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, “Withdrawal and/or Resubmission of Proposals”.

3. Proposal Mistakes

If prior to contract award, award confirmation, or contract signing, a Proposer discovers a mistake in their proposal and/or cost offering that renders the Proposer unable or unwilling to perform all scope of work services as described in its proposal response for the price/costs offered, the Proposer must immediately notify DHCS and submit a written request to withdraw its proposal following the procedures set forth in Section P, Paragraph 4b.

4. Withdrawal and/or Resubmission of Proposals

a. Withdrawal Deadlines

A Proposer may withdraw a proposal at any time before the proposal submission deadline.

b. Submitting a Withdrawal Request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax: Withdrawal – RFP 11-88326
Withdrawal - RFP 11-88326 Department of Health Care Services Office of Medi-Cal Procurement Attn: Devyn Stanger MS Code 4200 1501 Capitol Avenue, Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413	California Department of Health Care Services Office of Medi-Cal Procurement Fax: (916) 440-7369

- 3) **[For Faxed Withdrawal Requests]** Proposers must call (916) 552-8006 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before DHCS will return a proposal to a Proposer. DHCS may grant an exception if the Proposer informs DHCS that a new or replacement proposal will immediately follow the withdrawal.

c. Resubmitting a Proposal

After withdrawing a proposal, Proposers may resubmit a new proposal according to the proposal submission instructions. Replacement proposals must be received at the stated place of delivery by the proposal due date and time.

5. Contract Award and Protests

a. Contract Award

- 1) Award of the contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored proposal will be determined after DHCS adjusts Proposer scores for applicable bidder preferences.
- 2) DHCS shall award the contract only after DHCS posts a Notice of Intent to Award for five (5) working days. DHCS expects to post the Notice of Intent to Award by 4:00 pm on **September 28, 2012** in a Contract Award Notices Binder which will be available for viewing by the public during normal business hours, at the following location:

California Department of Health Care Services
Contract Management Unit
1501 Capitol Avenue, First Floor Guard Station
Sacramento, CA 95814

- 3) DHCS will mail, email, or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a proposal.
 - 4) DHCS will post the Intent to Award on the OMCP web page at http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPHomePage.aspx
 - 5) DHCS will confirm the contract award to the winning Proposer after the protest deadline, if no protests are filed or following the Department of General Service's resolution of all protests. DHCS staff may confirm an award verbally or in writing.
 - 6) It is intended that the Contract will be awarded within thirty (30) calendar days from the scheduled date of the Notice of Intent to Award. However, DHCS may award the Contract later, in which case bid prices will be valid for a minimum of six (6) months following the Notice of Intent to Award, or longer if agreed to by the successful Proposer and DHCS.
 - 7) DHCS reserves the right to reject all bids, whether responsive or not.
- b. Settlement of Ties
- 1) In the event of a precise total high score tie between a responsive proposal submitted by a certified small business or microbusiness and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the DVBE firm per Government Code Section 14838(f) et seq.
 - 2) In the event of a precise total high score tie between a responsive proposal submitted by a firm that was granted non-small business subcontractor preference and a responsive proposal submitted by a certified small business or microbusiness, the contract will be awarded to the certified small business or microbusiness.
 - 3) In the event of a precise total high score between a responsive proposal submitted by a nonprofit veteran service agency (NVSA) that is a certified small business and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the certified DVBE.
 - 4) In the absence of a California law or regulation governing a specific tie, DHCS will settle all other precise total high score ties by making an award to the Proposer who earns the highest narrative or Narrative Proposal score. If narrative or Technical Proposal scores are also tied, DHCS will settle the tie in a manner that DHCS determines to be fair and equitable (e.g., coin toss, lot drawing, etc.). In no event will DHCS settle a tie by dividing the work among the tied Proposers.

c. Protests

1) Who can Protest

Any Proposer who submits a proposal may file protest if the Proposer believes its proposal is responsive to all RFP requirements.

2) Grounds for Protests

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. DHCS will not make an award until all protests are withdrawn by the protestant, denied, or resolved.

3) Protest Time Lines

- a. If an eligible Proposer wishes to protest the intended contract award, the Proposer must file a "Notice of Intent to Protest" with DHCS within five working days after DHCS posts the Notice of Intent to Award. The Notice of Intent to Protest may be quite brief. Any Notice of Intent to Protest filed more than five working days after DHCS posts the Notice of Intent to Award shall be untimely.
- b. Within five calendar days after filing a "Notice of Intent to Protest", the protestant must file with DHCS a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes DHCS has improperly applied in awarding the contract.

4) Submitting a Protest

Protests must be filed with the California Department of Health Care Services. Proposers may hand deliver, mail or fax a protest.

Label, address, and submit the initial protest notice and detailed protest statement using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Protest to DHCS RFP 11-88326 California Department of Health Care Services Contract Management Unit Mail Station 1403 1501 Capitol Avenue, Suite 71.2101 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to DHCS RFP 11-88326 California Department of Health Care Services Contract Management Unit Fax: (916) 650-0100

Please send a courtesy copy of the protest to DHCS' Office of Medi-Cal Procurement. Proposers may hand deliver, mail or fax the courtesy copy of the protest to OMCP. Label, address, and submit the initial protest notice and detailed protest statement to OMCP using one of the following methods.

For Faxed Protests

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within one (1) calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm receipt of a fax transmission:

California Department of Health Care Services	(916) 650-0100
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6. Disposition of Proposals

- a. All materials submitted in response to this RFP will become the property of the California Department of Health Care Services and, as such, are subject to the Public Records Act (Government Code Section 6250, et seq.). DHCS will disregard any language purporting to render all or portions of any proposal confidential.
- b. Upon posting of a Notice of Intent to Award, all documents submitted in response to this RFP and all documents used in the selection process (e.g., review checklists, scoring sheets, letters of intent, etc.) will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. However, proposal contents, Proposer correspondence, selection working papers, or any other medium shall be held in the strictest confidence until the Notice of Intent to award is posted.
- c. DHCS may return a proposal to a Proposer at their request and expense after DHCS concludes the bid process.

7. Inspecting or Obtaining Copies of Proposals

- a. Who can inspect or copy proposal materials

Any person or member of the public can inspect or obtain copies of any proposal materials.

- b. What can be inspected / copied and when

- 1) After DHCS releases the RFP, any existing Proposers List (i.e., list of firms to whom the RFP is sent) is considered a public record and will be available for inspection or copying.
- 2) On or after the date DHCS posts the Notice of Intent to Award, all proposals, Proposers list, conference sign-in/attendance sheet, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available for review, inspection and copying during normal business hours.

- c. Inspecting or obtaining copies of proposal materials

Persons wishing to view or inspect any proposal or award related materials must identify the items they wish to inspect and must make an inspection appointment by contacting Devyn Stanger at (916) 552-8006.

Persons wishing to obtain copies of proposal materials may visit DHCS. DHCS does not possess sufficient staff to reproduce and mail any proposal or award related materials. Additionally, DHCS will not provide persons with a State-owned copy machine to make copies of proposal or award related materials. However, there are other options, which are listed below.

Persons wishing to reproduce proposal or award related materials at OMCP may do so through the following methods.

For Hard Copies: Persons requesting to obtain copies of proposal or award related materials must make copies using their own copy machine and paper that are brought in to OMCP premises. Employees of OMCP are not available to copy the materials. Materials will not be released from State premises for the purposes of making copies.

Sending blank CD-R's: Interested parties also have the option of sending blank CD-Rs to OMCP by mail to the address listed below. Once received, OMCP will then send the requested proposal or award related materials. Hard copy information will not be available electronically or in CDs.

Request for Copies - RFP 11-88326

Pharmacy Survey
Department of Health Care Services
Office of Medi-Cal Procurement
Attn: Devyn Stanger
MS Code 4200
1501 Capitol Avenue, Suite 71.3041
P.O. Box 997413
Sacramento, CA 95899-7413

8. Verification of Proposer Information

By submitting a proposal, Proposers agree to authorize DHCS to:

- a. Verify any and all claims made by the Proposer including, but not limited to verification of prior experience and the possession of other qualification requirements, and
- b. Check any reference identified by a Proposer or other resources known by the State to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

9. DHCS Rights

In addition to the rights discussed elsewhere in this RFP, DHCS reserves the following rights:

- a. RFP Corrections
 - 1) DHCS reserves the right to do any of the following up to the proposal submission deadline:
 - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
 - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc..

- c) Waive any RFP requirement or instruction for all Proposers if DHCS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.
 - d) Allow Proposers to submit questions about any RFP change, correction or addenda. If DHCS allows such questions, specific instructions will appear in the cover letter accompanying the document.
- 2) If deemed necessary by DHCS to remedy an RFP error or defect that is not detected in a timely manner, DHCS may also issue correction notices or waive any unnecessary, erroneous, or unreasonable RFP requirement or instruction after the proposal submission deadline.
 - 3) If this RFP is clarified, corrected, or modified, DHCS will mail, email, or fax written clarification notices and/or RFP addenda to all persons/firms to whom DHCS sent this RFP.

If DHCS decides, just before or on the proposal due date, to extend the submission deadline, DHCS may choose to notify potential Proposers of the extension by fax, email, or by telephone. DHCS will follow-up any verbal notice in writing by fax, email, or by mail.

b. Collecting information from Proposers

- 1) If deemed necessary, DHCS may request a Proposer to submit additional documentation during or after the proposal review and evaluation process. DHCS will advise the Proposers orally, by fax, email, or in writing of the documentation that is required and the time line for submitting the documentation. DHCS will follow-up oral instructions in writing by fax, email, or mail. Failure to submit the required documentation by the date and time indicated may cause DHCS to deem a proposal non-responsive.
- 2) DHCS, at its sole discretion, reserves the right to collect, by mail, email, fax or other method; the following omitted documentation and/or additional information.
 - a) Signed copies of any form submitted without a signature.
 - b) Data or documentation omitted from any submitted RFP attachment/form.
 - c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.
 - d) Information/material or form needed to correct or remedy an immaterial defect in a proposal.
- 3) The collection of Proposer documentation may cause DHCS to extend the date for posting the Notice of Intent to Award. If DHCS changes the posting date, DHCS will advise the Proposers, orally, via email, or in writing, of the alternate posting date.

c. Immaterial proposal defects

- 1) DHCS may waive any immaterial defect in any proposal and allow the Proposer to remedy those defects. DHCS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.

- 2) DHCS' waiver of an immaterial defect in a proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

d. Correction of clerical or mathematical errors

- 1) DHCS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a proposal, on a Cost Proposal form or on a Budget Detail Work Sheet.
- 2) If the correction of an error results in an increase or decrease in the total price, DHCS shall give the Proposer the option to accept the corrected price or withdraw their proposal.
- 3) Proposers may be required to initial corrections to costs and dollar figures on the Cost Proposal form or a Budget Detail Work Sheet if the correction results in an alteration of the annual costs or total cost offered.
- 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHCS will use the unit price to settle the discrepancy.

e. Right to remedy errors

DHCS reserves the right to remedy errors caused by:

- 1) DHCS office equipment malfunctions or negligence by agency staff,
- 2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No Contract award or RFP cancellation

The issuance of this RFP does not constitute a commitment by DHCS to award a contract. DHCS reserves the right to reject all proposals and to cancel this RFP if it is in the best interests of DHCS to do so.

g. Contract amendments after award

As provided in the Public Contract Code governing contracts awarded by competitive bid, the DHCS reserves the right to amend the contract after DHCS makes a contract award.

h. Proposed use of subcontractors and/or independent consultants

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the contract award.

i. Staffing changes after contract award

DHCS reserves the right to approve or disapprove changes in key personnel that occur after DHCS awards the contract.

R. Bidding Certification Clauses

1. Certificate of Independent Price Determination

a. The Prospective Proposer Certifies that:

- 1) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer, Proposer or competitor for the purpose of restricting competition relating to:
 - a) The prices or costs offered,
 - b) The intention to submit a bid or proposal,
 - c) The methods or factors used to calculate the costs or prices offered.
- 2) The prices in this bid or proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the bid/Cost Proposal opening date or date of contract award posting, unless otherwise required by law.
- 3) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.

b. Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a of Section Q of this RFP.

2. Debarment and Suspension Certification

a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
- 2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification; and
- 4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

- 5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - 6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.

3. Lobbying Restrictions and Disclosure

(This certification only applies if the resulting contract total will equal or exceed \$100,000 and the contract will be federally funded in part or whole.)

- a. The Contractor certifies, to the best of its knowledge and belief, that:
- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - 3) The Contractor shall require that the contents of this certification be collected from the recipients of all sub-awards, exceeding \$100,000, at all tiers (including subcontracts, sub-grants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.
- b. This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93.). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHCS upon request or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

S. Preference and Incentive Programs

To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total point score for applicable claimed preference(s). Bidding preferences shall not be applied to proposals that fail to pass the Checklist Review or fail to earn a minimum passing score during the narrative proposal scoring process. DHCS will apply preference adjustments to eligible Proposers according to State regulations following on-line or personal verification of eligibility with the appropriate office of the Department of General Services.

1. Small Business / Microbusiness Preference

- a. A responsive California small business or microbusiness Proposer claiming preference and verified as a certified small business or microbusiness in a relevant business category or type will be granted a preference of five percent (5%) of the total point score earned by the responsive/responsible Proposer with highest combined score, if the highest scored proposal is submitted by a non-small business. Non-small business means a responsive/responsible Proposer that is not certified by the California Department of General Services as a California small business or microbusiness in a relevant business category or type. The "service" category or business type will most likely apply to this procurement. Nonprofit Veteran Service Agencies (NVSA) are to view the instructions in provision 3 of this section (Preference Programs).
- b. To be certified as a California small business or microbusiness and eligible for a bidding preference the business concern must meet the State's eligibility requirements and must have submitted an application for small business status no later than 5:00 p.m. on the proposal submission deadline.
- c. Firms desiring small business or microbusiness certification must obtain the appropriate Small Business Certification Application (STD 813 or other form) from the appropriate office of the Department of General Services, fully complete the application, and submit it to the Department of General Services as instructed in the application. Prospective proposing firms desiring small business certification assistance, may contact the Department of General Services by the following means:
 - 1) (916) 322-5060 (24 hour recording and mail requests), or
 - 2) (916) 375-4940 (Small business assistance) or (800) 559-5529 (live operator Central receptionist), or
 - 3) Internet address: <http://www.pd.dgs.ca.gov/smbus/default.htm> or
 - 4) Fax: (916) 375-4950, or
 - 5) Email: osdchelp@dgs.ca.gov

2. Non-Small Business Subcontractor Preference

- a. Non-small business means a responsive/responsible Proposer that is not certified by the California Department of General Services as a small business or microbusiness.
- b. If the responsive Proposer earning the highest total score is not a certified small business/microbusiness, a bid preference up to five percent (5%) is available to a responsive non-small business Proposer committing twenty-five percent (25%) small business subcontractor use of one or more small businesses. When applicable, the preference points will be calculated pursuant to the regulations in , California Code of Regulations (CCR), Title 2 § 1896.8 and will be added to total score of an eligible non-

small business. This preference is authorized pursuant to CCR, Title 2 § 1896.2 and Government Code § 14835.

- c. If a Proposer claims the non-small business subcontractor preference, the proposal response must identify each proposed small business subcontractor that will be used, the participation percentage and dollar amount committed to each identified small business subcontractor, and substantial proof to enable verification of each subcontractor's small business status. The total small business subcontractor use must equal no less than twenty-five percent (25%) of the total cost offered.
- d. To be granted preference, each proposed small business subcontractor must possess an active small business certification issued by the Department of General services, must perform a "commercially useful function" under the contract and the basic functions to be performed must be identified at the time of proposal submission.
- e. Complete **Attachment 11a (Non-Small Business Subcontractor Preference Request)** and **Attachment 11b (Small Business Subcontractor/Supplier Acknowledgement)** to request the non-small business subcontractor preference.
- f. Refer to the RFP section entitled, "Settlement of ties" to learn how tied costs will be resolved.

3. DVBE Incentive

a. DVBE Participation / Incentive Requirement

This procurement is subject to a Disabled Veteran Business Enterprise (DVBE) participation goal of one half of one percent (.5%). Pursuant to California laws and regulations, a DVBE incentive in the form of points added to the sum of the narrative proposal score (non-cost score) of responsive/responsible proposers that provide for utilization of California certified DVBEs. The application of the DVBE incentive is for evaluation purposes only. The maximum DVBE incentive allowed is 5% of the total possible points. The DVBE Incentive Scale below illustrates the earnable incentive points based on the amount of DVBE participation in excess of .5%.

b. Application of the DVBE Incentive

Points will be added to the narrative proposal (non-cost) score of an eligible proposer by the applicable DVBE incentive percentage as computed on the total possible points earnable for both the narrative proposal (non-cost) score and Cost Proposal score, when a proposer:

- 1) Commits participation or use of DVBEs in excess of .5% to perform commercially useful functions under the resulting contract. To demonstrate DVBE participation, proposers are to:
 - a) Follow the DVBE participation form completion instructions in Attachment 9 and return the applicable DVBE forms, with the proposal response.
 - b) DVBE participation commitments must be acknowledged and confirmed via submission of a signed DVBE Subcontractor/Supplier Acknowledgement form with the proposal response.

- 2) When responsive/responsible proposers claim and are deemed eligible for the small business preference and/or the DVBE incentive or both, the small business preference will be applied first.
- 3) The DVBE incentive adjustment for this procurement may not exceed 5% of the total possible points.
- 4) When responsive/responsible proposers are eligible for one or more incentives and/or preferences, the order of application shall be as follows:
 - a) Small business preference will be applied first (if applicable)
 - b) The DVBE incentive second (if applicable)
 - c) The non-small business subcontractor preference (if applicable)

c. DVBE Incentive Scale

Unless superseded and replaced by an alternate DVBE Incentive Scale issued by the funding Program prior to proposal due date, the following incentive scale will apply to this procurement.

Illustration of possible narrative or technical proposal (non-cost) points = 202

Illustration of possible Cost Proposal points = 80

Illustration of total possible points = 282

DVBE Incentive for .5% DVBE Participation

Percentage of DVBE Participation Achieved and Acknowledged	Allowable DVBE Incentive Added to a Technical Proposal (Non-Cost) Score
Over 4.5%	5% of total possible points (5% X 282) = 14.1
Over 3.5% and up to 4.5%	4% of total possible points (4% X 282) = 11.3
Over 2.5% and up to 3.5%	3% of total possible points (3% X 282) = 8.5
Over 1.5% and up to 2.5%	2% of total possible points (2% X 282) = 5.6
Over .5% and up to 1.5%	1% of total possible points (1% X 282) = 2.8
.5%	0% of total possible points

T. Contract Terms and Conditions

The winning Respondent must enter an agreement that may contain the Respondent's price quote form or Budget, a Scope of Work, a work plan reflecting a portion of the proposal response, standard contract provisions, and one or more of the contract forms and/or exhibits identified below. Other exhibits, not identified herein, may also appear in the resulting agreement.

The exhibits identified in this section contain contract terms that require strict adherence to various laws and contracting policies. A Respondent's unwillingness or inability to agree to the terms and conditions shown below or contained in any exhibit identified in this solicitation may cause DHCS to deem a Respondent non-responsible and ineligible for an award. DHCS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version becomes available before the resulting agreement is executed.

In general, DHCS will not accept alterations to the terms and conditions outlined in the exhibits identified below or the Scope of Work and DHCS will not accept alternate contract/exhibit language submitted by a prospective contractor. DHCS may consider a proposal containing such provisions “a counter proposal” and DHCS may reject such a proposal.

With Limited exceptions, DHCS will not accept alterations to the terms and conditions outlined in the exhibits identified below or the Scope of Work and DHCS may not accept alternate contract/exhibit language submitted by a prospective contractor. DHCS may consider a proposal containing unacceptable alteration “a counter proposal” and DHCS may deem such a proposal nonresponsive.

1. Sample Contract Forms / Exhibits

Exhibit Label	Exhibit Name
a. Exhibit A1	Standard Agreement (1 page)
b. Exhibit A	Scope of Work (6 pages)
c. Exhibit B	Budget Detail and Payment Provisions (5 pages)
d. Exhibit C - View on-line.	General Terms and Conditions (GTC307). View or download this exhibit at this Internet site: http://www.ols.dgs.ca.gov/Standard+Language/default.htm .
e. Exhibit D(F)	Special Terms and Conditions (26 pages)
f. Exhibit E	Additional Provisions (19 pages)
g. Exhibit F	Contractor's Release (1 page)
h. Exhibit G	HIPAA Business Associate Addendum (10 pages)
i. Exhibit H	Information Confidentiality & Security Requirements

2. Unanticipated Tasks

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHCS' opinion is necessary to successfully accomplish the scope of work, DHCS will initiate change order to add that work. All terms and conditions appearing in the final contract including the salary/wage rates, unit rates and/or other expenses appearing on the Proposer's Budget Detail Work Sheets will apply to any additional work.

3. Resolution of Language Conflicts (RFP vs. Final Agreement)

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.